

comparison to the best bid and offer displayed in the national market system at the time the order is received.<sup>3</sup> Only orders executed at a price better than the inside market will receive a NATIONAL BEST indicator.

The following examples illustrate how NATIONAL BEST is proposed to work.

Assume the national market quote is 50-50<sup>1</sup>/<sub>4</sub>.

*Example 1* A market order to sell 1000 shares, entering on the PSE, is stopped at 50, meaning it is guaranteed a price at 50 or a better price. The quote is narrowed to 50-50<sup>1</sup>/<sub>8</sub> and the order is subsequently executed at 50<sup>1</sup>/<sub>8</sub>. This is an <sup>1</sup>/<sub>8</sub> point savings over the national bid price of 50, which translates into \$125 savings over the guaranteed price. Thus, the execution report would display NATIONAL BEST \$125.<sup>4</sup>

Assume the national market quote is 50-50<sup>1</sup>/<sub>4</sub>.

*Example 2* A market order to buy 800 shares, entered on the PSE, is executed at 50<sup>1</sup>/<sub>8</sub>. This is an <sup>1</sup>/<sub>8</sub> point savings over taking the prevailing offer of 50<sup>1</sup>/<sub>4</sub>. The execution report would display NATIONAL BEST \$100.

If there is no price improvement because either there was no execution between the national best bid or offer or the order was not eligible for the program, then no price improvement information would be displayed on the execution report to the entering firm.

The Exchange believes that the NATIONAL BEST can be expected to enhance the information made available to investors and improve their understanding of the auction market.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The PSE does not believe that the proposed rule change will impose any significant burden on competition.

<sup>3</sup>For stocks that are not ITS-eligible, the PSE quote is used.

<sup>4</sup>The algorithm that calculates the savings per share can calculate price improvement from a minimum of <sup>1</sup>/<sub>32</sub> or \$0.03125 per share to a maximum of <sup>9</sup>/<sub>32</sub> or \$3.00 per share. If price improvement exceeds \$3.00 per share, the NATIONAL BEST will be preceded by a ">" sign and will equal \$3.00 times the number of shares traded.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

Written comments on the proposed rule change were neither solicited nor received.

### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change: (1) does not significantly affect the protection of investors or the public interest, (2) does not impose any significant burden on competition, and (3) does not have the effect of limiting access to or availability of any Exchange order entry or trading system, the NATIONAL BEST program has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act and Rule 19b-4(e)(5) thereunder.<sup>5</sup> At any time within 60 days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the PSE. All submissions should refer to File No. SR-PSE-96-04 and should be submitted by March 12, 1996.

<sup>5</sup>17 CFR 240.19b-4(e)(5).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Margaret H. McFarland,  
Deputy Secretary.

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## SMALL BUSINESS ADMINISTRATION

[License No. 09/09-0345]

### FBS SBIC, L.P.; Notice of Surrender of License

Notice is hereby given that FBS SBIC, L.P., First Bank Place, 601 Second Avenue South, 16th Floor, Minneapolis, Minnesota 55402, has surrendered its licenses to operate as a small business investment company under the Small Business Investment Act of 1958, as amended (the Act). FBS was licensed by the Small Business Administration on September 27, 1984.

Under the authority vested by the Act and pursuant to the Regulations promulgated thereunder, the surrender was accepted on this date, and accordingly, all rights, privileges, and franchises derived therefrom have been terminated.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: February 9, 1996.

Donald A. Christensen,

Associate Administrator for Investment.

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[License No. 05/05-0182; License No. 05/08-0006]

### Northwest Venture Partners (NVP); Norwest Growth Fund (NGF); Notice of Surrender of License

Notice is hereby given that Northwest Venture Partners and Norwest Growth Fund, 2800 Piper Jaffray Tower, 222 South Ninth Street, Minneapolis, Minnesota 55402-3388, have surrendered their licenses to operate as a small business investment company under the Small Business Investment Act of 1958, as amended (the Act). NVP was licensed by the Small Business Administration on October 13, 1983. NGF was licensed by the Small Business Administration on February 25, 1960.

Under the authority vested by the Act and pursuant to the Regulations promulgated thereunder, the surrenders were accepted on this date, and accordingly, all rights, privileges, and franchises derived therefrom have been terminated.